

Local Food Promotion Program (LFPP) Final Performance Report

The final performance report summarizes the outcome of your LFPP award objectives. As stated in the LFPP Terms and Conditions, you will not be eligible for future LFPP or Farmers Market Promotion Program grant funding unless all close-out procedures are completed, including satisfactory submission of this final performance report.

This final report will be made available to the public once it is approved by LFPP staff. Write the report in a way that promotes your project's accomplishments, as this document will serve as not only a learning tool, but a promotional tool to support local and regional food programs. Particularly, recipients are expected to provide both qualitative and quantitative results to convey the activities and accomplishments of the work.

The report is limited to 10 pages and is due **within 90 days** of the project's performance period end date, or sooner if the project is complete. Provide answers to each question, or answer "not applicable" where necessary. It is recommended that you email or fax your completed performance report to your assigned grant specialist to avoid delays:

LFPP Phone: 202-720-2731; Email: USDALFPPQuestions@ams.usda.gov; Fax: 202-720-0300

Should you need to mail your documents via hard copy, contact LFPP staff to obtain mailing instructions.

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| Report Date Range: <i>(e.g. September 30, 20XX-September 29, 20XX)</i> | September 30, 2015 – September 29, 2017 |
| Authorized Representative Name: | Robert Barreca |
| Authorized Representative Phone: | 808-224-1905 |
| Authorized Representative Email: | rob@farmlinkhawaii.com |
| Recipient Organization Name: | Counter Culture LLC |
| Project Title as Stated on Grant Agreement: | Increase local food sales and profitability in Hawai'i through the use of information technology solutions |
| Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i> | 15-LFPP-HI-0089 |
| Year Grant was Awarded: | 2015 |
| Project City/State: | Waialua, HI |
| Total Awarded Budget: | \$100,000 |

LFPP staff may contact you to follow up for long-term success stories. Who may we contact?

Same Authorized Representative listed above (check if applicable).

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Different individual: Name: _____; Email: _____; Phone: _____

1. State the goals/objectives of your project as outlined in the grant narrative and/or approved by LFPP staff. If the goals/objectives from the narrative have changed from the grant narrative, please highlight those changes (e.g. “new objective”, “new contact”, “new consultant”, etc.). You may add additional goals/objectives if necessary. For each item below, qualitatively discuss the progress made and indicate the impact on the community, if any.

i. **Goal/Objective 1:** Provide technical assistance and training to five to eight local, startup food hubs to utilize online food marketplace applications to help managers, farmers, and buyers more efficiently participate in their local food economies and increase transactions of local foods.

o *Progress Made:* From the beginning of Q4 2015 through the end of Q3 2017 our project continued to perform outreach, technical assistance, and training to existing organizations to enable growers to supply quality goods reliably and to provide a stronger interface between buyers and growers. Cumulatively, as a result of the project we have provided technical assistance and training to the following 136 active organizations/types:

- 7 food hub/cooperative producers: Kahumana Food Hub, GoFarm Hawai‘i – Windward Campus, GoFarm Hawai‘i – North Shore Campus, Friends With Farms Cooperative, Waimanalo Market Co-op, and Holoholo General Store CSA (an increase of 4 since project start)
- 61 small farmers on O‘ahu (an increase of 42 since project start), including 40 beginning farmers and 17 socially disadvantaged farmers
 - Many of these farmers now rely upon and expect recurring FLH orders, and some have begun to increase production to meet this new demand. Additionally, most users of the web application now feel comfortable adding new products, editing inventory, adjusting prices, viewing their pick lists, etc.
- 68 active buyers (an increase of 53 since project start) comprised of: 16 restaurants, 2 caterers/food artisans, 14 grocers, 8 farmers, 3 CSAs, and 1 school

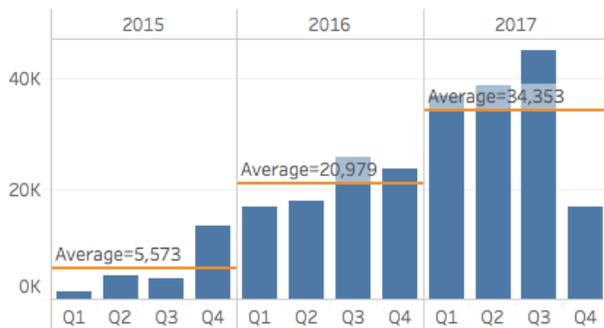
Over the project period, the number of orders and amount of sales increased significantly, positively impacting the bottom line of participating local farmers. In Q3 2017, the last quarter of project period there were 199 orders placed, a 342% increase over the 45 orders placed during project start (Q4 2015). This increase in orders yielded gross sales of \$45,039 in Q3 2017, a 242% increase over Q4 2015, with \$35,181 going directly to producers in Q3 2017. Similarly, Q3 2017 gross sales increased 74% from Q1 2016, and 16% from Q2 2017.

o *Impact on Community:* The reported increases in sales help farmers’ financial viability, but the increase in market connections (represented by order number and increase in active buyers) also helps growers get additional buyer feedback, improve their marketing (many chefs put farm name on menu), allow growers to build stronger relationships with buyers (chefs, caterers, Whole Foods Market, Foodland Supermarkets, Down to Earth, Kokua Market) that will result in further sales increases both inside and outside of the FLH marketplace. Many of these small farmers and buyers now consider Farm Link Hawai‘i a

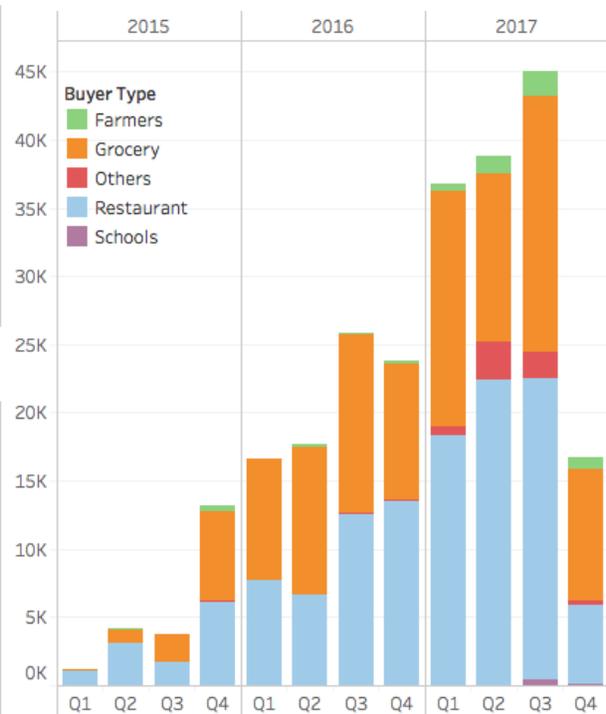
recurring produce source every week and some have requested that we add an additional delivery day. The gross income increase has impacted our local community of farmers, including beginning farmers, such as GoFarm Hawai'i (GFH) students and alumni, Friends With Farms Cooperative. As of Q1 2017, GFH new farmer training program's two O'ahu campuses discuss Farm Link Hawaii as part of their regular curriculum. Farm Link Hawaii staff regularly sit on GFH marketing panels with students and interact with students throughout their program. This progress has also impacted the community of wholesale buyers and retail consumers that are seeking access to more local food by providing an efficient tool for these buyers to purchase locally where they would otherwise use a distributor and receive less/no local products.

We have noticed users of Farm Link Hawai'i helping each other learn and use the tool. Our project is building IT capacity for growers and buyers as they become more comfortable using tools like Farm Link Hawai'i as part of their business operations. We feel this has a network effect of increasing technical skills within the industry to use better supply-chain and planning tools and providing time savings on these tasks.

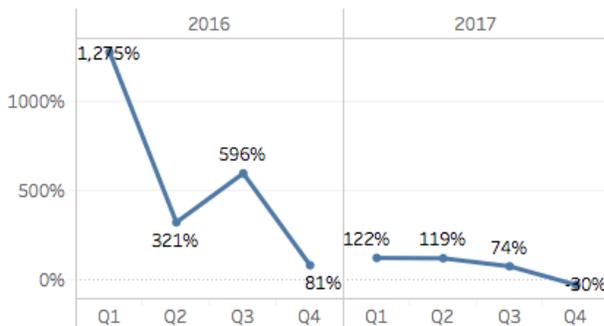
Gross Sales



Gross Sales by Buyer Type



Year Over Year Growth



Q3 2017 gross sales increased 74% from Q1 2016, and 16% from Q2 2017.

Note: Q4 2017 is partial as quarter not complete at the time data was compiled and report filed.

- ii. **Goal/Objective 2:** Through these direct consultations, develop an online operations manual to guide other farmers, food hubs, co-ops, and logistics providers on how to use IT for marketing, accounting, and logistics.

- *Progress Made:* We recently launched our first version of the online training manuals and best practices documents on the Farm Link Hawai'i website Resources section at www.farmlinkhawaii.com. Since the project start date, 108 new farmers/sellers signed up to Farm Link Hawai'i and we have shared these documents via email with all of those users and talked with most over the phone. We've also provided continued technical assistance to approximately 45 of our active sellers (who signed up before project period). Materials include an on-boarding email and phone call for farmers as well as buyers, regional food hub drop off instructions, packaging guidelines for particular buyers, such as Foodland. We have also begun utilizing MailChimp for sending out quarterly outreach emails to our users to highlight which crops are moving the most/least as well as other notable requests for supply/demand (see Appendix C in this document and attachments).
 - *Impact on Community:* Since the project start date, we have shared the best practices documents with approximately 153 sellers through initial onboarding of 108 new farmers and continued technical assistance to 45 of our active sellers (who signed up before project period). Through this outreach and onboarding, Farm Link staff further refined different materials to be catered toward buyers and sellers. Through sharing best practices to our users, we impacted 153 grower entities in the community by building capacity and educating them on the following: meeting strict requirements for case packaging for larger buyers, such as grocery stores; increasing professionalism and quality of their labeling for all customers and to comply with aggregator/distributor policies; improving communication with the Market Manager and buyers when order weight changes or product substitution is necessary; how to better meet product quality demands for specific buyers that do not accept any leaf damage or those that will accept blemished product. By refining and distributing our best practices documents, we are capturing institutional knowledge and disseminating it in an efficient way so beginning farmers (or those new to these markets) can get up to speed much more quickly than before. We also are ensuring that knowledge isn't lost over time so we are producing better and higher quality marketers as we progress further. We have heard anecdotally and observed ourselves that the technical assistance we've performed increases the quality and professionalism of growers regardless of their ultimate market channel. Buyers constantly tell us that communication and consistency are the two most important factors in their relationships with buyers. By constantly working with growers on these attributes, we have seen an improvement in their communication when quantities, quality, or timing is an issue. These improvements help to produce farmers with the skills needed to create and sustain viable farms as they expand to other markets.
- iii. **Goal/Objective 3:** Develop an open-source, prototype supply-demand solution to aid with local and regional food enterprises in coordination and matching future supply with demand.
- *Progress Made:* We have completed the design and development of a prototype supply-demand solution for connecting supply and demand in local food markets. The prototype is accessible at a secured staging web server (contact for current URL) and screenshots attached to this document. We used the information gathered from meetings with over 10 restaurants and four grocery store chains (Foodland; Whole Foods Market in Kahala, Kailua, and Maui; Kokua Market; and four Down to Earth stores on O'ahu). Through community input and many hours of design meetings with project contractors, we designed a comprehensive set of interactive wireframes of our proposed web application. After many

iterations of reworking the wireframes, we created a pixel-perfect set of mockups detailing the user experience of our supply-demand web application version 1.0.

- Impact on *Community*: We have interfaced with many community stakeholders to design and develop version 1.0 of the prototype supply-demand tool. After our initial prototype development, we will continue to workshop the user experience with growers and buyers to garner feedback and develop further functionality. The impact of this prototype will take longer to quantify as we get more user adoption and integrate it with existing marketplace web apps, such as Local Orbit. Beyond the grant period, we are confident this tool and subsequent versions will improve the viability of local farmers — especially those expanding markets, such as beginning farmers — and increasing the amount of local food sourced by buyers. This objective will help answer these questions that we constantly get from actual growers and buyers that use Farm Link Hawai'i:
 - “I’m a beginning farmer and expanding to a ½ acre, what should I grow? What are buyers looking for? How many pounds per week? What price do they expect to pay?”
 - “I’m a chef/grocery buyer and have the following wish list, are there any growers out there that will commit to growing X pounds weekly of these products at this particular price per pound?”
 - “I’m a chef/grocery buyer looking for unique local items, but don’t even know what can be grown here. What could farmers grow if they knew there was demand for it? What unique produce could I plan into my seasonal menu?”

The demand for local products is there, and both beginning and experienced monocrop farmers are getting into diversified vegetable production, but the tools to match supply and demand are unsatisfactory. Development of this web app prototype is a beginning step in a long technological and outreach process to realize a larger impact the community by lowering the barrier of success for beginning/expanding farmers. It will do so by giving them the information and relationship building tools to better target what they grow while better meeting the demands of buyers who are interested in local food but find it too difficult to coordinate many small farms to meet their demands.

2. Quantify the overall impact of the project on the intended beneficiaries, if applicable, from the baseline date (the start of the award performance period, September 30, 2015). Include further explanation if necessary.

- i. Number of direct jobs created:
7 market developers, 2 delivery coordinator/drivers, 1 accountant/social media manager, 2 software engineers, 1 UI designer
- ii. Number of jobs retained:
1 job for market admin/project coordinator
- iii. Number of indirect jobs created:
We’ve estimated that equivalent of eight part-time jobs have been created/retained amongst our 61 small O’ahu farms that have been impacted by Farm Link Hawai’i

marketplace development

iv. Number of markets expanded:

- Unique buyers with purchases per quarter increased from 7 in Q4 2015 to 45 in Q3 2017, a 543% growth.
 - Buyer composition in Q4 2015: 3 restaurants, 2 caterers/food artisans, 1 grocer, and 1 event buyer.
 - Buyer composition in Q3 2017: 16 restaurants, 2 caterers/food artisans, 14 grocers, 8 farmers, 3 CSAs, and 1 school.
 - Many grocery buyers have distinct purchasing accounts for different departments (e.g. produce, deli, etc.), each required their own onboarding and continued outreach and are counted individually, instead of as a single purchaser.
 - Farmers, who composed over 4% of Q3 2017 gross, are increasingly purchasing goods for home consumption or use in value-added products. We waive delivery fees for producers who also sell through the marketplace as an additional support to growers.

v. Number of new markets established:

In mid-2017 we have begun planning and trialing sales to the individual consumer market. We've had lots of interest and inquiries from individuals who have stopped their CSA subscriptions because of atrophy from receiving too much of the same, too much food, and not having an option to choose what they want each week. Many of the growers in the FLH network are small, diversified, beginning producers with limited quantities who would be a great fit to sell small quantities to individuals through FLH as aggregator. We have let a limited number of individuals purchase through FLH to test the logistics out and are planning to expand our individual consumer offering in the future. There are many successful models of this in other regions (e.g. GoodEggs.com) and in aggregate, we think individual buyers using an online service such as FLH will help improve small, beginning farm viability.

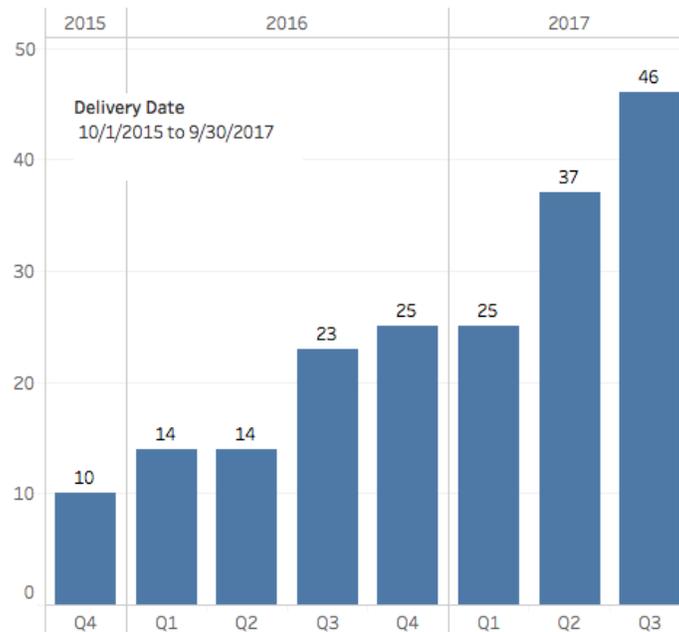
vi. Quarterly market sales increased by \$31,870 and increased by 242%.

Quarterly gross market sales grew from \$13,169 in Q4 2015 to \$45,039 in Q3 2017, a 242% increase.

vii. Number of farmers/producers that have benefited from the project:

There were a cumulative 61 total farmer organizations that benefited from the project and increased sales. Growers with sales per quarter increased from 10 in Q4 2015 to 46 in Q3 2017, a 360% increase (see graph below).

Suppliers with Sales



3. Did you expand your customer base by reaching new populations such as new ethnic groups, additional low income/low access populations, new businesses, etc.? If so, how?

We expanded our customer base by contacting our existing buyer and farmer network for new organizations that would be well-suited to join Farm Link Hawai'i and/or participate in our supply-demand prototype. Approximately 20 of the new users are from Waimanalo, a low-access area.

We expanded our customer base significantly by expanding to new businesses. During the project term, we had 188 new buyer accounts sign up to use FLH. The majority of those businesses were completely new market connections allow us to connect them with FLH growers. The most impactful new business connections we've made are with Whole Foods Market and Down to Earth stores. Our relationship with both grocery chains is still new, but with a combined total of eight stores in 2018, the connection is showing promise to make a significant impact on local food sales. Similarly, we have connected many new farmers to Foodland Supermarkets who has been our single largest buyer since project start and continues to aggressively source local produce from growers of all sizes and skill levels. We'll continue to solidify and improve these relationships after project end date.

4. Discuss your community partnerships.

i. Who are your community partners?

Our producers/hub partners are Ulupono Initiative, Friends With Farms Cooperative, GoFarm Hawai'i Waimanalo, GoFarm Hawai'i Waialua, Holoholo Farm & General Store, Kahumana Organic Farm, Kahumana Food Hub, Whole Foods Market, Foodland, Kokua Market, and Down to Earth stores.

- ii. How have they contributed to the overall results of the LFPP project?
Our partners have contributed by sharing infrastructure (walk-in cooler space, refrigerated van rental), strategic planning for a more cohesive information and delivery flow, wish list demand data, and introductions to new connections with additional community partners. Notably, Ulupono Initiative gave us a low-interest loan to purchase a refrigerated box truck to better serve the FLH network. Kahumana Organic Farms graciously partnered to allow Waianae farmers to utilize their walk-in refrigeration space to stage produce for FLH orders. Whole Foods Market worked extensively with Farm Link to allow more small producers to begin selling product to WFM through FLH.
- iii. How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant?
Ulupono Initiative is an impact investor and recent partner who has provided a low interest loan that we used to purchase a refrigerated delivery truck. Owning the van has been more cost-effective and less risky than leasing and will enable us to add a second delivery day to our schedule. In addition, we will continue to interface more deeply with our existing partners to expand use of their physical refrigeration infrastructure by increasing the amount of local food moving through each food hub's region. We will continue to garner feedback on the UX and functionality by conducting workshops with existing and new restaurant/grocery buyers.

We continue to develop closer relationships with our grocery partners — Foodland, Whole Foods Market, and Down To Earth — who are very helpful in determining the market demands, but also to learn the pain points for large businesses to source locally. By continuing to work with them, in addition to our restaurant, caterer, and individual consumer buyers, we will incorporate feedback to inform further development of the user experience of future web app versions.

5. Did you use contractors to conduct the work? If so, how did their work contribute to the results of the LFPP project?

Farm Link Hawai'i's delivery driver, market outreach coordinator are contractors and have both contributed to increase data gathering, on-boarding, market development, and adoption of IT tools by partners in our network. The software engineer, UI designer, and UI engineer are contractors as well and they contributed to the design and development of the supply-demand web app prototype.

6. Have you publicized any results yet?*

- i. If yes, how did you publicize the results?
We primarily publicized results of our project through agricultural conferences, presentations to farmers unions and new farmer training programs, via email newsletters to the Farm Link Hawaii network, via social media, and on the Farm Link Hawaii marketing website.
- ii. To whom did you publicize the results?
Farm Link Hawai'i presented project updates and performed outreach at the following events:
 - o Friends With Farms general meeting – February 8, 2016

- Farm Link Hawaii email newsletter to network (see attachment) – May 5, 2016
 - Beginning Farmer and Rancher Training Conference – November 3, 2016
 - GoFarm Hawaii (Windward campus) marketing panel – January 12, 2017
 - Hawaii Farmers Union United meeting – June 19, 2017
 - Hawaii Ag Conference Presentation – August 29-30, 2017 (see attached slideshow PDF)
 - North Shore Food Summit – September 15, 2017 (see attached slideshow PDF)
 - GoFarm Hawaii (North Shore campus) marketing panel – November 15, 2017
 - Visitors to the Farm Link Hawaii marketing website – 2017
- iii. How many stakeholders (i.e. people, entities) did you reach?
All publicity reached approximately 412 stakeholders as outlined here:
- Friends With Farms general meeting – 20 beginning farmers
 - Farm Link Hawaii email newsletter to network – 122 recipients
 - Beginning Farmer and Rancher Training Conference – 40 new farmer educators
 - GoFarm Hawaii (Windward campus) marketing panel – 15 beginning farmers
 - Hawaii Farmers Union United meeting – 40 members
 - Hawaii Ag Conference Presentation – 80 attendees, mostly farmers
 - North Shore Food Summit – 50 attendees
 - GoFarm Hawaii (North Shore campus) marketing panel – 15 beginning farmers
 - Visitors to the Farm Link Hawaii marketing website – 30 unique visitors

7. Have you collected any feedback from your community and additional stakeholders about your work?

- i. If so, how did you collect the information?
Most feedback has been collected by project personnel asking for it directly during an email or phone on-boarding, supply-demand survey, or pickup/delivery for Farm Link Hawai'i goods.
- ii. What feedback was relayed (specific comments)?
Some farmers have been confused at different stages of the supply-chain, such as how to pack certain items for certain customers (i.e. case weight, labeling, drop-off time and location). Each time we receive feedback, we improve our technical assistance documents so the next user can learn the right way the first time.

8. Budget Summary:

- i. As part of the LFPP closeout procedures, you are required to submit the SF-425 (Final Federal Financial Report). Check here if you have completed the SF-425 and are submitting it with this report:
- ii. Did the project generate any income? If yes, how much was generated and how was it used to further the objectives of the award?
No income generated directly from project.

9. Lessons Learned:

- i. Summarize any lessons learned. Draw from positive experiences (e.g. good ideas that improved project efficiency or saved money) and negative experiences (e.g. what did not go well and what needs to be changed).

We've had great responses from partners of all types, but we did not budget enough labor for outreach, relationship building, more human resources to interact with all of our partners and identify their needs fully. One grocery store chain, such as Foodland, Whole Foods Market, or Down To Earth each has 3-30 individual stores across the state and each store has up to five departments (produce, deli, grocery, grab n' go, dairy, chill, etc.). Each of those departments has multiple people responsible for sourcing for their department and their own unique needs. We already have approximately 100 buyer contacts that warrant regular phone calls or face-to-face meetings, but not enough resources to capitalize on that. We didn't fully anticipate the outreach labor need to best improve marketing for our growers/food hubs as well as work closely with each buyer to gather requirements for our IT solutions.

Making training documents clear but not too verbose is difficult. Need more resources to produce short videos which are more digestible and easier to demonstrate intricate tasks like packaging/labeling and performing common tasks on the FLH website.

- ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving:

While we achieved our basic goals and outcome measures, there is so much more to be done to improve the local food system using IT. I would encourage future applicants to consider more narrowly focused goals and spend twice as much time as you think on pushing that goal far beyond the finish line.

Also, I would encourage others to not be afraid of slightly altering project course. Local food systems are complex and we need to be adaptable and agile within the realm of the grant's allowed objectives. We worked with LFPP staff and modified objectives to fit the changing landscape and better serve our partners and broader food community.

- iii. Describe any lessons learned in the administration of the project that might be helpful for others who would want to implement a similar project:

While developing our local food supply-demand prototype web application, our project director and product manager had differing visions for project strategy. Through open communication and objectively weighing the pros and cons of each path, we came to a consensus. We'd recommend that project staff not get discouraged and keep lines of communication open.

- iv.

10. Future Work:

- i. How will you continue the work of this project beyond the performance period? In other words, how will you parlay the results of your project's work to benefit future community goals and initiatives? Include information about community impact and outreach, anticipated increases in markets and/or sales, estimated number of jobs retained/created, and any other information you'd like to share about the future of your project.

We will continue to increase the role of IT in local food systems beyond the performance period. Farm Link Hawaii is a growing local food market with three food hub aggregation points, a 16-foot refrigerated box truck, many buyers and growers that depend on it, and websites. These elements are our foundation upon which we will continue to build a farmer-first, local food network. We expect to significantly grow this project over the next two years. We plan to increase buyer outreach, better coordinate production from growers and match it with buyer demands, increase aggregation and delivery infrastructure, increase delivery frequency and reach, open up individual consumer market, more tightly integrated with existing CSAs to use the FLH network for sourcing, improve our local food information technology offering to better serve stakeholders, replicate our successes on neighbor islands, coordinate neighbor island sourcing and logistics where applicable, and build a tighter bond to help GoFarm Hawaii beginning farmers reach financial viability more easily when graduating from the program.

Quarterly sales nearly quadrupled during the project period (\$13,169 to \$45,039) and we expect our initiatives to continue that trend while increasing the number of farms that utilize FLH as a market channel. We estimate that we will help create/retain 5-10 jobs per year and reach quarterly sales of \$75,000 by the end of 2018. Our main goals are to utilize appropriate IT coupled with physical infrastructure to help make existing farmers successful while easing the entry to market for beginning farmers.

ii. Do you have any recommendations for future activities and, if applicable, an outline of next steps or additional research that might advance the project goals?

There is still a significant lack of data about what farm products are being sold and who is buying them from where. To be able to make smart decisions about the local food ecosystem, more clarity and insight into the market is essential. We hope to fund a future project where we will be able to understand how farm products are moving through our communities and use that data to help farmers (especially beginning farmers) make informed decisions about what to grow. For now, we are relying on lots of anecdotal data to make best guesses.